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FM AMEMBASSY KATHMANDU  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0628  
INFO RUEHLO/AMEMBASSY LONDON IMMEDIATE 3675  
RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 9324  
RUEHBJ/AMEMBASSY BEIJING PRIORITY 4020  
RUEHLM/AMEMBASSY COLOMBO PRIORITY 4282  
RUEHKA/AMEMBASSY DHAKA PRIORITY 9358  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2269  
RUEHGO/AMEMBASSY RANGOON PRIORITY 0968  
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY  
RHEFDIA/DIA WASHDC PRIORITY  
RUCNFB/FBI WASHDC PRIORITY  
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY  
RUEAWJA/DEPT OF JUSTICE WASHDC PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L KATHMANDU 000637

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DEPT FOR SCA/INS, SCA/RA, S/CT, EB/ESC/TFS

E.O. 12958: DECL: 03/07/2016

TAGS: [PTER](#) [KCRM](#) [EFIN](#) [UK](#) [NP](#)

SUBJECT: GOVERNMENT OFFERED TOO-GOOD-TO-BE-TRUE LOAN

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

11. (U) This is an action request. See paragraph 4.

USD 250 Million Loan at 5 percent  
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12. (C) In a March 7 meeting, Minister of State for Finance Roop Jyoti sought the advice of the Ambassador regarding a proposed foreign loan to His Majesty's Government of Nepal (HMGN). Jyoti stated that Tried Finance Limited, based in London, had offered HMGN a USD 250 million loan at five percent per year payable by HMGN, for twenty years, with five percent to Tried up front (i.e. USD 12.5 million). Jyoti acknowledged that it sounded "too good to be true," but explained that HMGN did not have the capability to ascertain if the loan was from a legitimate source. He asked for U.S. assistance to determine whether any criminal or terrorist sources were associated with Tried, as he stressed that HMGN did not want to be involved in money laundering or other action that would lead to sanctions against HMGN, or give HMGN a bad reputation. (Jyoti at one point suggested that HMGN could accept the loan to bait a trap for the wrongdoers if the money was found to be illicit.) However, he noted that HMGN needed the money, and was interested in pursuing the loan if the money was found to be clean. (Note: IMF Resident Advisor Sukhwinder Singh, had alerted the Ambassador that Jyoti planned to approach the USG about this loan. Singh commented that Jyoti had told him that he had received instructions from the King "to make it happen, but make sure it is not illegal." End note.)

Information on Loan Provider  
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13. (C) Jyoti provided the Ambassador with the following information about the company offering the loan:  
Tried Finance Limited,  
Subsidiary of Multinational Industries Limited.  
Registered in England, Number 4753994.  
Address: 83 Caledonian Road, London N1 9BT.

Tel/Fax: 020 7713 8080.

E-mail: triedfinancelimited1@activemail.co.uk

Website: multinational-endevco.co

P.L. Majumdar, as Director, signed a letter to Jyoti regarding Tried's proposal.

#### Action Request

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14. (C) Post requests the Department to assist in determining if Tried is known to be associated with any illegal, criminal, or terrorist source, or has any other questionable ties. Post further requests guidance on what advice to pass to HMGN on accepting a loan from Tried. Post also requests guidance on USG and/or international sanctions that HMGN might face if, against U.S. advice, it accepted a loan that was illicit in any way.

#### Comment

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15. (C) HMGN appears to be taking all proper steps to try to ascertain the true nature of this loan proposal, including consulting with the IMF. IMF Representative Singh noted that the U.K. could not release the information about a British company to the IMF without going through Interpol, and thus suggested that HMGN contact the U.S. for assistance, which HMGN did. According to the IMF, the loan company, while based in the U.K., is financially backed by non-resident Indians. (Note: The Nepali rupee is pegged to, and fully convertible with, the Indian rupee, which could benefit a money laundering operation. End note.) The IMF had heard rumors that this company had also approached Burma and North Korea.

MORIARTY